

SOLE SOURCE PROCUREMENT REQUEST

Please complete and email to: vip@azdoa.gov

Entire document MUST be completed	
Section 1	
Requesting Agency: Arizona Department of Financial Institutions	
Vendor: Nationwide Mortgage Licensing System of the State Regulatory Registry LLC	Estimated Cost: -0-
Section 2	
<p>Brief description of materials or services: The Nationwide Mortgage Licensing System provides a streamlined web-based licensing process for both state regulatory agencies and the mortgage industry by providing a centralized and standardized system for mortgage licensing. NMLS contains a single record for each mortgage lender, mortgage broker, mortgage branch and mortgage loan originator. This single record can be used to apply for, amend and renew licenses in any participating jurisdiction.</p> <p>Assuming approval of this sole source procurement request, the Arizona Department of Financial Institutions wishes to participate in NMLS as soon after January 2, 2009 as possible to permit our renewing Mortgage Brokers to use NMLS for their March 31, 2009 renewals with our Department.</p>	
Section 3	
<p>Briefly describe why this procurement is Sole Source and why there is only a single source available: The NMLS initiative was begun by state mortgage regulators (including Arizona) in 2004 in response to concerns that the state regulatory structure for multi-state licensees lacked uniformity, was paper based, expensive and cumbersome; and did not respond to the increased volume and variety of residential mortgage originators. State mortgage regulators needed to address those concerns by application of modern tools and technology to meet the challenges. NMLS was created by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR)[Arizona Department of Financial Institutions is a contributing member and thereby part owner as a member of both organizations]. NMLS is owned and operated by the State Regulatory Registry LLC (SRR), a wholly owned subsidiary of CSBS. The system has been built and maintained by the Financial Industry Regulatory Authority (FINRA), who operates similar systems in the securities industry.</p> <p>There is no other system capable of providing uniform, web-based nationwide coverage to state regulators such as the Arizona Department of Financial Institutions. Use of NMLS would permit our renewing mortgage brokers to complete their renewals in early 2009, our mortgage bankers to complete their renewals later in 2009, and it would permit their mortgage loan originators to use NMLS to meet the federal mandate under the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, Public Law 110-289 (SAFE) to begin licensing of mortgage loan originators by July, 1, 2009. Use of NMLS will also permit the Arizona Department of Financial Institutions to meet the licensing mandate of A.R.S. 6-991, et seq., that we license all mortgage loan originators beginning January 1, 2010.</p>	
Duration of this Sole Source procurement: Perpetual	
<p>Briefly describe the efforts made to seek other sources: None - No other reasonable alternative source exists nor has been authorized by federal law to gather, compile and transmit such information to state regulators for each mortgage lender, mortgage broker, mortgage branch and mortgage loan originator. In light of no federal authority to gather, compile and transmit such information on the part of any vendor, other than NMLS, it makes no business sense to look for an alternate vendor (that we know does not exist) between now and July 1, 2009, the date at which SAFE mandates that our state</p>	

demonstrate its compliance with all the requirements of the SAFE Act which includes; but is not limited to, use of the NMLS for all mortgage loan originator licensing. We anticipate that between 8000 to 12,000 mortgage loan originators will seek licensing in Arizona.

Send comments to the following individual:

<i>Requesting Agency Contact Information</i>	
Procurement Officer: Michael Fowler	
Phone Number: 602-255-4421	Email Address: mfowler@azdfi.gov

<i>State Procurement Website Posting Information</i>	
R2- 7-E301 requires the State Procurement Administrator shall post the request on the State Procurement Office website and invite comments on the Sole Source request for five working days.	
Date Posted: 12/8/2008	Date Closed: 12/12/2008